

IMPARTIAL ANALYSIS OF MEASURE A

By

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Voter approval of Measure A would amend the Long Beach Municipal Code to establish a new business license tax on medical marijuana businesses operating in the City of Long Beach if the City Council rescinds the current ban on medical marijuana sales and adopts a regulatory ordinance. This business license tax is a “general tax” and therefore must be approved by the voters. Revenues from the tax would be deposited in the City’s general fund which is used to pay for police and fire protection, senior and youth programs, street repairs, parks and recreation, code enforcement, libraries, employee salaries and benefits and other City services. Measure A was placed on the ballot by the Long Beach City Council.

This measure, if approved, would impose on medical marijuana businesses a tax of up to ten percent (10%) of gross receipts for medical marijuana sales, with an initial tax rate of six percent (6%) and a tax of up to fifty (\$50.00) dollars per square foot on all improvements used by the medical marijuana business as a cultivation facility or grow site, with an initial tax rate of fifteen dollars (\$15.00). Medical marijuana businesses that qualify under state law as exempt 501(c)(3) non-profit organizations would pay ten dollars (\$10.00) per square foot on all business improvements, instead of paying a tax based on the gross receipts of the business. The square footage tax rates would be adjusted annually for inflation as measured by the Los Angeles-Riverside-Orange County Area Consumer Price Index.

A “yes” vote on this proposition is a vote to approve the medical marijuana business license tax in the event the City Council rescinds the ban on medical

marijuana sales and adopts a regulatory ordinance. A “no” vote is a vote to reject this tax.